

The **Coronavirus Aid, Relief, and Economic Security (CARES) Act** provides more than \$13.9 billion for a [Higher Education Emergency Relief fund](#) for colleges and universities to directly support students facing urgent needs related to coronavirus and to support colleges and universities as they cope with the effects of school closures. Click [here](#) for the Department of Education's COVID-19 guidance post-secondary education.

**Relief for students:**

- Students will be eligible for emergency financial aid grants from their institutions to meet unexpected and urgent needs related to the coronavirus, such as expenses related to food, housing, course materials, technology, health care, and child-care.
- Students who are currently participating in the Federal Work Study program can continue to receive work-study payments from their institution if they are unable to work due to workplace closures.
- Governor Newsom signed an executive order to support student borrowers by offering 90 days of forbearance, waived late payment fees, negative credit reporting protections, and enrollment in other assistance programs. You can read more about this order [here](#).

**Relief for federal student loan borrowers:**

- Borrowers do not need to make payments on student loans held by the federal government (Direct Loans and FFEL Loans held by the [U.S. Department of Education](#)) through September 30, 2020. Interest will not accrue during this time.
- Student borrowers will continue to receive credit toward Public Service Loan Forgiveness, Income-Driven Repayment forgiveness, and loan rehabilitation even if they will not be making payments
- Borrowers with commercially held FFEL loans and Perkins Loans are not eligible, and private student loan borrowers are not eligible.

**Frequently Asked Questions:**

**I'm currently enrolled in a foreign institution abroad and am hearing that I might lose my student loans if I take classes online. Does this bill help me?**

- Yes. The CARES Act allows the U.S. Secretary of Education to permit a foreign institution to offer any part of its program through distance education if there is a public health emergency or other disaster or emergency declared by the government authorities in the country where the college is located.

**Does the six-month suspension of payments and waiver of interest apply to borrowers who have federally guaranteed but commercially held loans through the FFEL and Perkins Loan Programs?**

- No. The suspension only applies to all Direct Loans and FFEL loans held by the Department Education.

**Does the sixty-day protection from involuntary collections apply to these FFEL and Perkins borrowers?**

- No.

**Will outstanding interest on student loans capitalize during the six-month suspension of payments and waiver of interest?**

- During the six-month period until September 30, 2020 when payments are suspended, interest is also not accruing on federally held loans.

*Don't see an answer to your question? You can read more [here](#) or contact my Palm Desert Office at (760) 424-8888.*